

# STATE EMPLOYEE GROUP BENEFITS ADVISORY COUNCIL MEETING MINUTES

Board of Investments Conference Room, 2401 Colonial Drive  
Helena, Montana

March 1, 2011

## SEGBAC Council Present

Chairman: Russ Hill, Administrator, Department of Administration, Health Care and Benefits Division  
Member: Steve Barry, Human Resource Division Administrator, Department of Corrections  
Member: Brian Ehli, Representative, MEA-MFT  
Member: Jenny Kaleczyc, Assistant Public Defender, Office of the State Public Defender  
Member: Kelly DaSilva, Human Resource Manager, Legislative Services Division  
Member: Amy Sassano, Assistant Budget Director, Office of Budget and Program Planning  
Member: Richard Cooley, Senior Investment Officer, Dept of Commerce, Board of Investments  
Member: Senator Jim Keane, Senate District 38  
Member: Mary Dalton, Administrator, DPHHS, Health Resources Division  
Member: Erin Ricci, Admin. Asst. / ICCW Representative, Department of Natural Resources & Conservation  
Member: John McEwen, Representative, State of Montana Retirees  
Member: Quint Nyman, Executive Director, Montana Public Employees' Association

## Staff

Karen Wood, Deputy Administrator  
John Thomas, Senior Health Officer  
Jackie Dunbar, Medical Management Supervisor  
Amber Godbout, Attorney  
Charlotte Hafer, Customer Service Assistant  
  
Kelly Grebinsky, FSA, Principal, Actuaries Northwest  
Mark Eichler, Pharmacist, URx  
Kurt Laycock, Account Executive, MedImpact

## Guests

Ginger Lindsey, BCBS  
Kim Stubby, BCBS  
Don Creveling, MAHCP  
  
L'Joy Griebenow, New West  
Cindy Kwasney, BCBS

## Call to Order & Old Business

Russ Hill called the meeting to order at 8:35 AM. There were new members to the council present. Russ had everyone go around and do introductions.

John McEwen moved to approve the minutes. Steve Barry seconded the motion. There was no discussion. All approved, motion passed.

## Financial Report

Kelly Grebinsky, with Actuaries Northwest Inc, went over the fourth quarter financial report. He explained that the table on page 1 is the comparison of Medical, Rx, and Dental claims. This table shows the 12 month trend. Medical is at 4.2%. The Prescription trend is at -19.6%. Dental is at -3.5%. The table on page 2 is the update on general reserves. The IBNR is at \$13.1 million, general reserves \$37 million, & the fund balance is \$50 million. He then moved on to page 4. This table shows the income and expense by combined medical plans and dental plan. He focused on year to date. For the year 2010, the medical plan had a \$10 million gain, dental had a \$987,000 gain for a total of \$11 million gain. He then moved on to page 7. This shows the Indemnity Plan had a loss of just over \$1 million for a 101.8% loss ratio. The managed care plans on page 8 for the managed care plans, show Blue Choice at 76.9% loss ratio, Peak at 98.9% and New West at 101.4% for a total loss ratio of 84.3% for plan year. On page 9, this table shows Actives vs. Retirees. The loss ratio for Actives and COBRA is 80.4% for plan year 2010. The loss ratio for retirees under 65 is 174.6%. For retirees over 65, the loss ratio is 90.4%. The total for all retirees the loss ratio is

125.5% for plan year 2010 vs 128.9% for 2009. Medicare part D hasn't been submitted yet for the last payment of 2009. This will be for \$1.7-1.9 million. This will be submitted for plan year 2009 soon. Jessie Eickert is working on the submission for 2010. For non-medicare retiree's, the ERRP request has been sent in. The reimbursement should be received by the end of March. It is estimated that we should receive \$1.1-1.4 million. Page 10 shows the projections through 2013. There is a projected gain for 2011 but the outlook for the years after isn't very good.

## **URx Update**

Mark Eichler gave an update on the URx plan. He first gave the history of how the URx plan was built. He first went over the outcomes for 2010. He compared 2009 when the plan was under Caremark. The cost has been reduced by 16%. The amount the plan has paid has been reduced by 20%. Members on the plan are paying 2.4 % less with URx than 2009. The amount of brand name drugs used has been reduced by 25% and generic drug use has increased 12.5%.

See the [attachment](#) for the presentation.

## **Premium planning Process for 2012**

The goal is to expand participation in the process of setting rates and changing benefits effective January 1, 2012. There are some constraints and consideration for the process. They include no state share increase. State share is set at \$733, the same as 2011, the need to consider the impact of benefit changes on "grandfathered" status, and consider other changes upcoming in 2013, HDHP and TPA RFP. Russ gave a list of critical dates for this process. They are May 17. This is our next SEGBAC meeting. At this meeting, Kelly will provide the committee with mock rates for 2012. The final benefit changes will be turned into Actuaries NW by July 25. The preliminary rates will go to the budget off by August 8 and SEGBAC will receive the final rates for approval at the August 23 meeting. Russ asked for volunteers to help with the following areas: Retiree plans and rates, HDHP and HSA planning, benefit changes for 2012 and 2013, dependent subsidy, and product pricing. John and Steve volunteered to help with retiree plans and rates. Kelly and Brian volunteered to help with HDHP and HSA planning. Jenny and Quint volunteered to help with Benefit changes for 2012 and 2013. Erin and Quint volunteered to help with Dependent subsidy. Kelly and Mary will wait until after the Legislative session is over to volunteer to help with one of the areas.

## **Contracts & RFP**

John Thomas gave an overview of the contract and RFP process. The Indemnity plan is up for renewal. John has created a timeline on when things will need to be completed. He gave an overview of the process from the last time. This process is very long and time consuming. The RFP will be issued by August 1, 2011 for an implementation date of February 2012. John asked for volunteers to help with the RFP process. Quint, Kelly, and Erin volunteered to help with the process.

The Life insurance and LTD ends the end of this year. We want to have the contract awarded by the August meeting. We are also going to explore short term disability. We are also looking at doing a joint RFP with the University system. Even if we do a joint contract, we can write the RFP contract to accommodate the difference between the two plans. John is looking volunteers to help with this process. We want to have the contract awarded by June 3. John McEwen is a tentative for helping.

## **EAP Transition Update**

Jackie Dunbar gave an update on the EAP transition. We have been getting some good responses from counselors. They have been contacting us to see how to bill. They are pleased with less paperwork. We have contracted with a person in Bozeman to help with crisis situations. Supervisors have been contacting us about helping with someone with anger issues. We were able to coordinate some services for them. We have also been educating supervisors on how to use the PDC.

There are 35 people enrolled in the Weight Management program. This program is replacing the Why weight program. Our program is much more intense.

There are 73 new enrollees in the prenatal program. There are about 150 moms to be enrolled.

The tobacco cessation program had its first graduate last month. This person is one year tobacco free.

The legal services, we are telling people to ask the attorney they wish to see if they offer any discounts to state employees. Many attorneys offer free consultations and may offer discounts. For the financial services, we are referring to consumer credit counseling.

## **Administrator Update**

Russ gave an update on some of the things that are being worked on within the office. We are working with DPHHS on disease Management programs. The programs include asthma, high blood pressure, and diabetes. With regard to asthma, we are looking at ways to hook up to an asthma pilot program. The high blood pressure program will look a lot like the Take Control Program. The Diabetes program is identifying ways to get more people into the program.

Russ gave an update on the bills going through the Legislative Session. House Bill 53 moves states benefits out of the insurance code and into title 2. House Bill 555 allows non-duplication of benefits. House bill 13 is in appropriations.

Mary Dalton reported that 200 state employee children have been added to Healthy Montana Kids.

The next meeting will be held May 17, 2011 in the Wilderness Room.

Richard Cooley moved to adjourn the meeting, John McEwen seconded the motion. There was no discussion. Motion approved. The meeting adjourned at 11:40 AM.